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Uranium News Analysis

Strathmore Minerals neglects to disclose long-term delay its Gas Hills, Wyoming uranium mine project during public meetings in Wyoming that the company convened three weeks after its announced the decision to delay the Gas Hills project to the Nuclear Regulatory Commission (NRC)

Compiled
September 12, 2013

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Strathmore Minerals quietly announced that its decision to delay filing of the uranium recovery license application for its Gas Hills property in a July 13, 2013 letter to the Nuclear Regulatory Commission (NRC) however, the company appears seems to have failed to mention that action at its August 6 and 8, 2013 public meetings on the project in Wyoming.

Strathmore announcement of Gas Hills project delay - Strathmore announced an open-ended delay of its Gas Hills project license application in a July 13, 2013 letter to the NRC saying,

“This is to inform the U.S. Nuclear Regulatory Commission (NRC) that Strathmore Minerals has determined that it will not submit a license application for its proposed Gas Hills heap leach facility in Fremont County, Wyoming by December 2013 as indicated in its Letter of Intent (LOI) of January 23, 2013. Strathmore is reevaluating the project and has not identified a future date to submit the application. Strathmore will advise NRC of its future plans upon completion of its evaluation.” Available as document ML 13199A054 at NRC Adams document system - <http://adams.nrc.gov/wba/>.

Energy Fuels confirmation of Gas Hills project delay until “uranium prices justify licensing” - Subsequent to completion of its merger with Strathmore, Energy

Fuels followed up the Strathmore delay letter on September 10, 2013 with a letter to the NRC saying,

“Strathmore and all of its subsidiaries are now wholly-owned subsidiaries of Energy Fuels Inc. (Energy Fuels). As such, Energy Fuels will continue as the owner of the GHURF project. Energy Fuels plans to delay licensing of the GHURF project until such time that uranium prices justify licensing and construction of the facility. We will notify you prior to resuming license preparation, and anticipate that it will require approximately one year to complete the license application.” – Available as document ML13254A140 through the NRC Adams document system - <http://adams.nrc.gov/wba/>.

Riverton (WY) Daily Ranger article on Gas hills project meeting convened by Strathmore - The Riverton Daily Ranger of August 15, 2013 article on the Gas Hills public meetings held by Strathmore on August 6 and 8, 2013 include no reference to Strathmore decision to delay the project. The article, available at dailyranger.com/story.php?story_id=8679 reported:

Strathmore predicts proposed Gas Hills mine would create 153 jobs
Aug 15, 2013 - By Eric Blom, Staff Writer

The company conducted two meetings last week to answer questions and receive comments from the public. Strathmore Minerals held two public meetings on its proposed uranium mine in the Gas Hills last week. The public submitted comments during the meetings for the Bureau of Land Management to consider before it develops an environmental impact statement.

Before Strathmore can begin mining, the BLM has to produce a draft EIS, a final EIS and a record of decision. The process often takes several years, and the public will have two more chances to weigh in before the project begins.

The Fremont County Library System hosted a forum Aug. 6 in Lander and Aug. 8 in Riverton.

Roughly eight residents attended the Lander meeting and had questions for the Strathmore and BLM staff who were on hand.

"What's it going to create in terms of additional income to the county?" was a typical question posed to Strathmore land manager Tom Powell.

Strathmore staff answered by producing a large poster laying out the company's projections for the conventional, open pit mine, which would create 153 jobs and a total annual payroll of \$9.2 million. Strathmore also predicts the development will generate \$23 million every year in taxes for county schools and government.

The estimates are based on the mine producing 1 million pounds of uranium annually, at a price of \$60 per pound and a 10-year mine life. The current price is about \$36 a pound.

Powell said he had not heard many concerns with the project so far. One factor in the mine's favor is it would not be in the BLM's core sage grouse management area, he said.

Tom Michael, a consultant on the project, said the four proposed mine units would, for the most part, disturb areas that were developed already.

"All four mining areas are in or adjacent to historic mining areas," he said.

After Strathmore closes the mines, it will reclaim the areas similar to how the older mines were reclaimed. The BLM will accept public comments received by Sept. 9.

Anyone can send comments by writing to BLM_WY_Lower_Gas_Hills_Conventional_Mine@blm.gov, or Bureau of Land Management, Lander Field Office, Attn: Kristin Yannone, Project Manager, 1335 Main St., Lander, WY 82520.

Other mines

Two more uranium mines are in the works for Fremont County and are farther along in the permitting process than Strathmore's mine. The BLM is working on a draft EIS for the Sheep Mountain uranium mine eight miles south of Jeffrey City.

Energy Fuels Inc. acquired the open pit and underground mining project when it bought Titan Uranium in February 2012. Now, Energy Fuels is planning to merge with Strathmore as well.

Cameco Resource's proposed Gas Hills uranium mine is in the final EIS stage. It plans to use the in-situ technique, which pumps water into uranium ore underground to dissolve the mineral and draws the solution to the surface where the product is removed.

Strathmore's proposed mine in the Gas Hills would be on about 12,400 acres 45 miles east of Riverton in a historic uranium-mining district. Surface disturbance would be about 2,000 acres, the BLM estimates. The first uranium mine in the area to start production is Ur-Energy's Lost Creek mine in Sweetwater County, which opened this month.